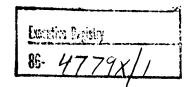


Central Intelligence Agency





28 October 1986

MEMORANDUM FOR: Mr. Alfred H. Kingon

Assistant to the President and

Cabinet Secretary

SUBJECT:

1987 State of the Union

In compliance with your memorandum of 20 October 1986, the following items are submitted for possible inclusion in the President's State of the Union Message.

- a. Restructuring the Government Compensation/Grade System. (See Attachment 1)
- b. Legislation to Criminalize the Unauthorized Disclosure of National Defense Information by U.S. Government Personnel. (See Attachment 2)

STAT

Director, Executive Staff

Attachments: As stated

Distribution

Orig w/ Atchs - Addressee 1 "ER File

M/R: Attachment #1 submitted by S&T Attachment # 2 submitted by OCA



L-255-15

Attachment 1

SUGGESTION FOR THE PRESIDENT'S STATE OF THE UNION ADDRESS

RESTRUCTURING THE GOVERNMENT COMPENSATION/GRADE SYSTEM

At present, the federal government's salary and benefit structure is not competitive with that available in the private sector. This is especially true with respect to executive compensation. A totally new compensation system is required to replace the General Schedule system - a pay structure better able to reward longevity than performance -- with a pay-for-performance system with pay ranges broad enough to support significant pay increases for superior performance over an extended period. This is good for the government, good for the supervisor, and good for the employee. From the government's standpoint, it represents a more equitable distribution of resources based on overall contribution to organizational objectives. From the supervisor's standpoint, the ability to reward high performers through salary increases while denying or limiting salary increases to low performers is a strong motivator which can be expected to reduce the turnover among high performers and increase the turnover among low performers. The employees will view performance improvements as being within their control; and because of the increased recognition of an individual's performance, a pay-for-performance system encourages and motivates them.

An improved compensation system will also pay dividends within other areas. The government will be able to recruit high-caliber individuals for the federal service and compete with private industry in critical skill areas. This competition will intensify in the future as the number of highly skilled jobseekers decreases. The government, however, will not win this competition in the current environment in which federal employment is seldom portrayed as particularly worthy or highly valued. The low esteem in which civil servants are held is not simply a matter of rhetoric — there is the even harsher reality of a stagnating and even declining salary and benefit structure for federal workers. At the executive level, the current compensation system forces the best to leave the federal service for higher pay as substantive experts in the private sector. Ways must be devised to retain these highly skilled professionals within the federal service. It is in the interest of the executive and legislative branches to do so.

We are not advocating a burgeoning bureaucracy, but a "lean and mean" federal service of highly skilled and trained professionals who are appropriately compensated.

UNCLASSIFIED

Attachment 2

LEGISLATION TO CRIMINALIZE THE UNAUTHORIZED DISCLOSURE OF NATIONAL DEFENSE INFORMATION BY U.S. GOVERNMENT PERSONNEL

The Director of Central Intelligence recommends that the President include in his Message an expression of deep concern about the proliferating and highly-damaging leaks of sensitive intelligence and military data. In addition to citing internal steps the Executive Branch has undertaken to combat and deter this behavior, the President should also indicate his intent to submit to Congress legislative proposals to strengthen existing criminal sanctions against the unauthorized disclosure of national defense information by U.S. Government personnel.

DDA-86-1814

28 00 r

MEMORANDUM FOR: Director, DCI/DDCI Executive Staff

FROM:

William F. Donnelly

Deputy Director for Administration

SUBJECT:

1987 State of the Union

REFERENCE:

Memorandum for DCI from Alfred Kingon,

dtd 20 Oct 86, Same Subject

The referenced memorandum solicited short summaries of themes, plans, and programs for consideration for inclusion in the President's State of the Union Message and/or his 1987 agenda. Accordingly, the following items are submitted. The Executive Branch should stimulate legislation to:

- a. Criminalize unauthorized disclosure of classified intelligence information by cleared individuals and should create an orderly system for the proper declassification and release of information when it is in the national interest to do so.
- b. Vest the DCI with such <u>additional</u> statutory authority, beyond Section 8 of the CIA Act, as may be necessary to provide a range of flexible compensation/benefits packages for Agency employees to choose from; and to institute pay banding, simplified position classification, and pay-for-performance throughout the Agency.
- c. Extend the provisions for Government-matching contributions, which will apply to employees covered by the Federal Employees' Retirement System (FERS) and to employees under the Civil Service Retirement System who elect to participate only in the Thrift Plan portion of the FERS.
- d. Raise or eliminate the current statutory GS and SES pay caps.
- e. Provide adequate authority and resources for federal agencies to make space and other appropriate support available for on-site day care centers to accommodate the needs of single-parent employees and working couples.

STAT

William F. Donnelly

24 October 1986 OCA 86-3661

MEMORANDUM FOR: Director, Executive Staff

THROUGH:

Dave Gries

STAT FROM:

SUBJECT:

Proposed Input for State of the Union Message

I recommend that we use this opportunity to attempt to have the President go on record in urging Congress to enact legislation to criminalize the unauthorized disclosure of national defense (i.e., classified intelligence and military) information by U.S. Government personnnel. If the White House agrees to include such a statement in the State of the Union Message, it will serve to put on notice the Congress (as well as those elements in the Executive Branch that have to date resisted our proposals for leaks legislation) that the President wants and is prepared to push for new legislation in this area.

I believe that we can briefly summarize the proposal in the following manner: The DCI recommends that the President include in his Message an expression of deep concern about the proliferating and highly-damaging leaks of sensitive intelligence and military data. In addition to citing internal steps the Excutive Branch has undertaken to combat and deter this behavior, the President should also indicate his intent to submit to Congress legislative proposals to strengthen existing criminal sanctions against the unauthorized disclosure of national defense information by U.S. Government personnel.

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Distribution:

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1 - OCA Registry

1 - OCA/JR Signer

28 October 1986

| WOIE 10: | Executive Officer, ICS | | | | |
|----------------------|--|--|--|--|--|
| STAT _{ROM:} | Deputy Director for Policy, PPS | | | | |
| SUBJECT: | 1987 State of the Union | | | | |
| | : 1987 State of the Union e paragraph below should be considered for inclusion in the President's of the Union message: | | | | |
| caus | It is now about a year since the tragic Challenger accident that ed all Americans to recognize the bravery of our astronauts and the | | | | |

STAT

It is now about a year since the tragic Challenger accident that caused all Americans to recognize the bravery of our astronauts and the fragility of the highly complex systems that we use to launch our vital space payloads. In the interim, we and the Congress have been struggling to define and fund the programs necessary to put our space launch capability on a firm footing, so that we can in the future assure that important national security, civil, and commercial payloads can be launched when needed. This will require both an expendable launch vehicle capability and a robust and reliable space shuttle capability. I believe that this revitalization of our space programs, both civil and national security, is a fitting tribute to the brave Americans who gave their lives in the Challenger accident.

STAT

27 October 1986

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|------------|------|------|-------|-----|----------|-------|--|
| STAT,OTE F | FOR: | | | | | | |

Suggested input for the 1987 State of the Union Address:

"Over the past several years, spies have inflicted very serious damage to the security of the United States. While the counterintelligence organizations have done an excellent job of identifying these people, more needs to be done. The cooperative remedial efforts of the Congress and the executive branch to improve our counterintelligence posture must continue, and we all must recognize that espionage is a real and constant hazard to the national welfare. I will also be sending you prepared legislation that will further enable us to continue to identify those who would betray their country.

"Federal employees must also recognize that this administration intends to use all legal means to eliminate unauthorized disclosures of classified information that can be as devastating as espionage."

STAT

Director, CCISONS/ICS

Sanitized Copy Approved for Release 2011/04/04: CIA-RDP88G01116R001102050003-0

LAI- 04959-86

27 OCT 1986

MEMORANDUM FOR: Director, DCI/DDCI Executive Staff

FROM:

Richard J. Kerr

Deputy Director for Intelligence

SUBJECT:

1987 State of the Union Message

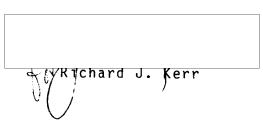
REFERENCE:

White House Memorandum, dtd 20 Oct 86,

Same Subject (Executive Registry #86-4779x)

The Intelligence Directorate has no plans, programs or policies for 1987 that would appear to meet the threshhold for presentation by the President in a State of the Union message. Any legislative business we may have forthcoming will be handled through established Agency channels to the Intelligence Committees of the Congress.

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ROUTING AND RECORD SHEET

Subject: Suggestion for the President's State of the Union Address From: DDS&T DDS&T-807-86 27 October 1986 6E60 Hqs 27 OCT 1988 TKK * Date * To: (Officer designation) rec'd fwd'd init Comments: A/Executive Secretary 1. 7E12 Hqs

UNCLASSIFIED

EXECUTIVE SECRETARIAT ROUTING SLIP TO: **ACTION** INFO DATE INITIAL 1 DCI X 2 DDCI X 3 EXDIR χ 4 D/ICS X 5 DDI Χ 6 DDA X 7 DDO 8 DDS&T X 9 Chm/NIC (Negative via Phone 23 Oct 86) χ 10 GC X 11 IG X (Negative by Phone/23 Oct 86) 12 Compt X X 13 D/OLL 14 D/PAO Χ 15 D/PERS 16 VC/NIC 17 ER 19 20 21 22 1200, 28 Oct 86 SUSPENSE To all: Please provide your inputs or negative report to the Director, Executive Staff, for consolidation, by 1200, 28 Oct 86. As indicated, short summaries will be sufficient **Executive Secretary** 22 Oct 86 3637 (10-81)

STAT

THE WHITE HOUSE WASHINGTON

| Executive i. | Alij | |
|--------------|------|--|
| 86-4779 | × | |

CABINET AFFAIRS STAFFING MEMORANDUM

| Date: _ | 10/20/86 | Number: _ | 317,217 | Due By: | COB 10/28/ | 86 |
|--|--------------|----------------------------|---------|---|--|----------|
| Subject: | 1987 Stat | e of the | Union | | | |
| | | | | | | |
| | | Action | FYI | | Action | FYI |
| ALL CAB | INET MEMBERS | | | CEA | | |
| Vice President State Treasury Defense Justice Interior Agriculture Commerce Labor HHS HUD Transportation Energy Education Chief of Staff OMB CIA | | 00000000000000000000000000 | | CEQ OSTP | 00000 | 00000 |
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| EPA GSA NASA OPM SBA VA | | व्यव्यव्यव्य | 0 00000 | DPC Chairman Pro | tem [] tem [] | 000000 |
| REMARK | S: | | | | | |

RETURN TO:

✓ Alfred H. Kingon
Cabinet Secretary
456-2823
(Ground Floor, West Wing)

☐ Don Clarey ☐ Rick Davis

☐ Ed Stucky

Associate Director
Office of Cabinet Affairs
456–2800 (Room 235, OEOB)

1-255-iR

THE WHITE HOUSE

WASHINGTON

October 20, 1986

\$6- 4779x

MEMORANDUM FOR THE CABINET, SELECTED AGENCY HEADS, AND POLICY COUNCIL HEADS

FROM:

ALFRED H. KINGON

SUBJECT:

1987 State of the Union

The President has asked that you submit as quickly as possible to my office all themes, plans, programs, policies, etc., that you would like to be considered by him for the 1987 agenda and possible inclusion in his State of the Union Message.

These should include legislative proposals or legislation that you wish to be enacted next year; legislative proposals that are longer term in nature but which you would like the Congress to begin considering this year; other programs and policies to be implemented that do not require legislation; and a list of major reports to Congress that will be due in 1987.

These items do not, at this time, have to be spelled out in great detail; a short summary will suffice.

Please have your submission in to me by close of business, Tuesday October 28.

Thank you.

THE WHITE HOUSE

WASHINGTON

January 29, 1985

MEMORANDUM FOR ALL PRESIDENTIAL APPOINTEES

FROM:

CRAIG L. FULLER

Assistant to the President for

Cabinet Affairs

SUBJECT:

White House Briefings

Two important briefings have been scheduled for Presidential appointees:

- Briefing on the Budget Monday, February 4, 2:00 P.M.
- Briefing on the State of the Union Wednesday, February 6, 5:00 P.M.

Both briefings will be held in Room 450 Old Executive Office Building.

Please call my office at 456-2259 by noon on Friday, February 1, to let us know whether you plan to attend or not.

I look forward to seeing you.

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THE WHITE HOUSE

WASHINGTON

January 29, 1985

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FROM:

CRAIG L. FULLER

Assistant to the President for

Cabinet Affairs

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I look forward to seeing you.

THE WHITE HOUSE WASHINGTON

The Honorable John N. McMahon Deputy Director Central Intelligence Agency Washington, DC 20505

7E12, Hagre.

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THE WHITE HOUSE WASHINGTON

> The Honorable William J. Casey Director Central Intelligence Agency Room 345; OEOB
> Washington, DC
>
> TE12, Hagia.